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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	:
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:
	:
	:
Debtors.	:
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Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

**LIMITED SUPPLEMENTAL OBJECTION OF GLP US MANAGEMENT
LLC AND ICON OWNER POOL 1 SF NON-BUSINESS PARKS, LLC TO
NOTICE OF ASSUMPTION AND ASSIGNMENT OF ADDITIONAL
DESIGNATABLE LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

GLP US Management LLC (“GLP”), as managing agent for and together with Icon Owner Pool 1 SF Non-Business Parks, LLC (the “Landlord”) by and through their undersigned counsel, hereby file this supplemental objection (the “Supplemental Objection”) to the *Notice of Assumption and Assignment of Additional Designatable Leases* (the “Notice of Additional Designatable Leases”) (ECF No. 3298) filed by Transform Holdco LLC (“TH”). In support thereof, GLP and the Landlord respectfully state as follows:

STATEMENT OF OBJECTION

1. On November 19, 2018, the Court entered the *Order Approving Global Bidding Procedures and Granting Related Relief* (ECF No. 816), which contemplates a process for the assumption of certain executory contracts and unexpired leases.

2. On January 18, 2019, the above-captioned Debtors (collectively, the “Debtors”)¹ filed a Notice of Successful Bidder and Sale Hearing (ECF No. 1730), stating that TH, an affiliate of ESL Investments, LLC, was the successful bidder for the Global Assets (as defined therein).

3. On January 18, 2019, the Debtors filed a first assumption notice, which did not list any of the leases associated with GLP or the Landlord.

4. Thereafter, on January 23, 2019, the Debtors filed the *Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in connection with Global Sale Transaction* (ECF No. 1774) (the “TH Assumption Notice”), which lists a number of additional executory contracts and leases that the Debtors assert are subject to possible assumption and assignment to TH or an affiliated entity in connection with the sale.

5. The TH Assumption Notice identified the following lease of Landlord on Exhibit B-1, Page 14: Line 393 - Master Lease with “Icon Owner Pool 1 SF Non-Bus Parks LLC (GLP US)” (the “Benicia CA Lease”) with a proposed cure amount of \$28,953.60.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SRC Sparrow 1 LLC (None); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); SRC Sparrow 2 LLC (None); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); SRC O.P. LLC (None); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); SRC Facilities LLC (None); and SRC Real Estate (TX), LLC (None). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

6. On January 31, 2019, in response to the TH Assumption Notice, GLP and the Landlord, among others, filed the *Objection of GLP US Management LLC and Certain Landlords to Debtors' Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction* (the "Initial Objection") (ECF No. 2288).

7. On April 19, 2019, TH filed the Notice of Additional Designatable Leases, wherein TH designated for assumption and assignment the Benicia CA Lease on Exhibit 1, Line 543 with a revised proposed cure amount of \$0.00.

8. GLP and the Landlord file this Supplemental Objection to the revised proposed cure amount because the amount is incorrect. On April 9, 2019, Landlord timely filed a proof of claim against debtor Innoval Solutions, Inc. ("Claim No. 16162"). As set forth in Claim No. 16162, the Landlord calculates a current cure amount of not less than \$9,456.93 (the "Current Cure Amount"), on account of unpaid Combined Operating RET Expenses under the lease as a result of 2018 year end reconciliation. A copy of Claim No. 16162 is attached hereto as **Exhibit A** and incorporated herein by reference.

9. Section 365 of the Bankruptcy Code governs the assumption and assignment of executory contracts and unexpired leases. In general, in order to assume an unexpired lease, a debtor in possession must cure the arrearages and provide adequate assurance of future performance under such lease. *See* 11 U.S.C. § 365(b)(1). As a result, the Debtors are required to cure all existing defaults by paying the Landlord the Correct Cure Amount in order for the Benicia CA Lease to be assumed and assigned to TH or an affiliated entity.

10. GLP and the Landlord reserve the right to supplement this Supplemental Objection and make such other and further objections as may be necessary or appropriate.

WHEREFORE, GLP and the Landlord respectfully request that this Court enter an order (i) requiring the Debtors to pay to the Landlord the Correct Cure Amount prior to the assumption and assignment of the Benicia CA Lease, and (ii) granting such further and other relief as this Court may deem just and proper.

Dated: New York, New York
May 3, 2019

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